# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:542
ANSWERED ON:03.12.2004
IRREGULARITIES IN BHARAT COOPERATIVE BANK
Adsul Shri Anandrao Vithoba

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government is aware of the irregularities and malpractices indulged by the Management of the Bharat Co-operative Bank(Mumbai) Limited;

(b) whether the public representative has also brought various irregularities and malpractices committed by the management of the Bharat Co-operative Bank (Mumbai) Limited to the notice of the Government;

(c) if so. whether the Government has conducted any enquiry in this regard;

(d) if so, the outcome of such enquiry and action taken by the Government thereon; and

(e) if not, the reasons therefore ?

## Answer

` MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S, PALANIMANICKAM)

(a): Reserve Bank of India (RBI) had received few complaints indicating certain allegations against the bank`s management The bank was last inspected with reference to its financial position as on December 31, 2003. During the course of inspection these allegations were also looked into.

(b): The public representative as well as the Co-operative Blank Employees Union have brought certain allegations relating to banking areas and malpractices by the management to the notice of RBI.

(c), (d) and (e): The statutory inspection revealed that the overall financial position of the bank was satisfactory with regard to CRAR, net NPAs. compliance with CRR and SLR and profitability. The inspection, however, revealed certain deficiencies in the: appraisal of credit proposals and post disbursement supervision of advances, including overdrawals in certain Cash Credit Accounts etc. The bank was advised by the RBI to rectify the deficiencies pointed out in the Inspection Report. The allegations till that time were also tooked into during the statutory inspection and it was observed that there were certain procedural lapses for which the bank was advised to take remedial measures. However, the findings did not indicate any maJafides,

Further a scrutiny was conducted on November 22-23, 2004, to look into the allegations relating to banking related areas. Appropriate action will bo taken on the findings of the Inspection Report by RBI in due course.